



STATE OF CONNECTICUT
TEACHERS' RETIREMENT BOARD
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AGENCY RESPONSE TO S.B. 1122

Senator Harp, Representative Walker and all members of the Appropriations Committee, this testimony is being submitted by Darlene Perez, Administrator for the Connecticut Teachers' Retirement Board (TRB) in opposition to S.B. 1122, which would mandate the TRB to deduct and remit union dues to the Treasurer of union(s) on behalf of retired teachers collecting a pension from the TRB. I would call this bill a convenience bill.

The TRB is at a historically low staffing level with 22 full-time filled positions providing service to over 100,000 members and beneficiaries. While the Governor's proposed budget provides funding for our 5 vacancies we cannot fill the positions until a budget is approved including the funding for these positions. We have a record and increasing number of retirees and our active population remains stable. The work that we do, virtually all of which is statutorily required, exceeds our current capabilities. It is my opinion that adding a "convenience" requirement to our existing statutory requirements with an overburdened staff is not a prudent decision.

Retired members of the teachers' retirement system are required by law to have their monthly pension benefits electronically deposited into a financial institution. Most, if not all of the financial institutions have automatic monthly bill payment options available to their customers. Unions are not part of the federal or state government, therefore, union dues should not be thought of like a federal or state tax deduction, but rather as a car bill, a phone bill, a utility bill, or any other bill that the retiree might be responsible to pay. Furthermore, union dues are typically a payroll deduction from active employees and not from retirees. Our current pension administration software would require a customization to avoid this deduction being paid to the union as a paper check. Payment of retired members bills are not a bookkeeping responsibility of the TRB nor should they become a cost item to the State of CT. It could encourage further proposals that could pass along additional bill paying and bookkeeping responsibilities onto the system.

It is for the reasons I have stated that I oppose the passage of S.B. 1122.

Cost to Implement: Est. cost not to exceed \$50,000 if done in-house.